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COUNTRY Czechoslovakia/USRR

SUBJECT CSR-USSR Mutual Trade Treaty of 12 April 1946

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SUPPLEMENT

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 15 October 1973 from the Director of Central Intelligence to the Archivist of the United States.

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This translation, from a German translation of the Czech original, is the first of a series of reports on this subject:

Agreement between the Governments of CSR and USSR, regarding the mutual delivery of goods.

The Government of CSR and the Government of USSR, led by the desire to strengthen trade relations, have agreed on the following:

Article 1

Delivery of goods from CSR to USSR and from USSR to CSR, with regard to the extent of business and categories of goods, is to be agreed upon by both governments for each period and is to be specified in special protocols. Both governments are mutually guaranteed of timely delivery of goods as mentioned in the protocols.

Article 2

Changes in the agreement, as stated in the protocols mentioned in Article 1, can be made upon agreement between the Czechoslovak Ministry of Foreign Trade and the commercial representative of the USSR in the CSR.

Article 3

Czechoslovak corporations and business men on the one hand, and the Soviet Foreign Trade Organization on the other hand, are to settle agreements concerning the delivery of goods as mentioned in the protocols. With regard to the price of goods made public in these agreements, the following bases are to be applied:

- The prices are to be agreed upon between the Czechoslovak corporations and business men and the Soviet Foreign Trade Organization, on the basis of the international trade prices existing at that time, or on the basis of competitive prices offered by other countries, bearing in mind the transportation costs to the place of delivery.
- In the case of individual products - especially construction materials - the prices are to be established in special transactions. However,

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competitive prices offered by other countries for similar products will be considered.

- c. If no agreement as to price (points a and b above) can be reached, then the decision rests upon the Czechoslovak Ministry of Foreign Trade and the representative of the USSR in the CSR.

Article 4

The delivery of goods, except if otherwise specified in Article 3, is to be carried out according to the following:

On the part of USSR, f.o.b. Soviet harbors on the Baltic, Black and Azov Seas and on the Danube, or free transport USSR/CSR or USSR/Polish border; on the part of CSR, f.o.b. Czech harbors on the Danube or free transport CSR/USSR or CSR/Polish border.

Article 5

The deputies of the CSR and the USSR will be responsible for carrying out these agreements and for their control; they, on demand, shall meet alternately in Prague and in Moscow in order to discuss the proceedings of carrying out the agreement and the mutual deliveries of goods, and, if the occasion arises, to work out recommendations.

Article 6

The goods delivered in the years 1945 and 1946 before the completion of this agreement, as well as the goods delivered according to this agreement, and the incidental expenses connected with these deliveries, are to be paid to the Czechoslovak National Bank in the case of CSR; and in the case of USSR, through the State Bank of the USSR. To this end both banks are to open separate tax-free special accounts in Kos, and each is to inform the other of the balance of the account. As soon as the bank receives this information it can begin to pay the qualified organization or person on the basis of their bill without regard to the balance of the special account.

Article 7

The Czechoslovak National Bank and the State Bank of the USSR are to come to an agreement about the technical aspects of these mutual calculations.

Article 8

The Czechoslovak corporations and business men and the Soviet Foreign Trade Organization can, with the consent of the appropriate branches of both governments, subsequently decide upon those goods not provided for in the agreement, and can agree on settlement of the balance in foreign currency. The settlement in these cases will be undertaken according to the decisions of these special agreements.

Article 9

According to the agreement of the Czechoslovak National Bank with the State Bank of the USSR, payments other than those cited in Article 6 of this agreement can also be made from the special account mentioned in Article 6.

Article 10

In the event one party of the Treaty owes a balance to the above-mentioned account after the expiration of the agreement, then the debtor party is obligated to defray the balance in three-months periods in goods agreed upon by the contracting parties.

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Article 11

This agreement is effective on the day of completion and is valid for a year. If neither party in the Treaty makes known his desire to end the Treaty a month before its expiration, it will remain valid for another year.

Written in Moscow on 12 April 1946 in two copies in both the Czech and Russian languages. Both texts are declared to have the same validity.

In the name of the Government of CSR:

In the name of the Government of USSR:

Hubert RIPKA m.p.

A. M. MIKOJAN m.p.

Notice of the Office of the Deputy for Trade with USSR:

The text of the individual protocols decided upon according to Articles 1 and 2 of this Treaty can be had on special request from the Deputy of the Czech interests.

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